



ASRS REPORT

ARIZONA STATE RETIREMENT SYSTEM

Paul Matson, Director
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This report provides a briefing of news and notices important to our members, retirees and employer partners, as well as other interested parties. It is produced by the ASRS on a periodic basis and posted to the ASRS website. If you would like to receive an email notice when the next issue is posted, and you are not already on our email list, please contact us at weeklyreport@azasrs.gov and provide your name, email address, telephone number and title and organization, if applicable.

ASRS News

Director Outreach meeting set for Wednesday, Oct. 8 in Flagstaff

ASRS members and retirees are invited to attend the final Director Outreach meeting of 2008, set for Wednesday, October 8 at Flagstaff City Hall, Council Chambers, 211 W. Aspen Ave. The informal meeting is scheduled to begin at noon, following a 9 a.m. Know Your Benefits meeting.

Director Paul Matson has conducted several outreach meetings over the past two years. They provide an opportunity to have a dialogue with members, answer questions and share information. There is no formal program.

Due to another commitment, Mr. Matson will be unable to attend Wednesday's meeting. Patrick Klein, ASRS Assistant Director for External Affairs, will host the meeting. All ASRS members and retirees are welcome; no reservations are required.

A message from Director Paul Matson: ASRS benefits safe despite up-and-down markets

Over the past several weeks the financial markets have shown dramatic volatility, leading to increased concerns over the U.S. economy in general, and, for some of our members, the impact on the Arizona State Retirement System.

Like all investors and public pension programs, the ASRS has been affected by the significant downturn in the markets. However, ASRS investments are well-diversified in a strategic asset allocation mix that includes U.S. and foreign equities, fixed income bonds, private equity and real estate. This mix helps to moderate the effects that one or a few company names may have on the performance of the ASRS total fund.

During such times, it is important to not overreact with quick buys or sells. Historically, distressed markets have offered long-term investors attractive investment opportunities, and we are evaluating such opportunities daily.

A very natural reaction to what is currently happening in the financial markets and with our economy in general is to be concerned about the security of your retirement benefits. I believe the most important point for our members – active and retired – is to know that your retirement benefits are secure. It is in such times that we can be particularly reassured as participants in a defined benefit plan that is supported by a professionally

managed, well-diversified portfolio that your benefits are guaranteed, and not tied to any account balance that may go up or down.

Funds used to pay benefits come into the Retirement System through member and employer contributions, and from investments. And while the market value of the ASRS fund may fluctuate, as do the markets in general, the ASRS fund used to pay current and future benefits is ample and sufficient to meet our guaranteed obligations.

Retiree News

Health Insurance Open Enrollment Information

The Arizona State Retirement System 2009 Open Enrollment period, during which retirees may elect to enroll or make changes to their medical and/or dental plans, will take place October 20, 2008 through November 14, 2008. All changes become effective January 1, 2009.

Open Enrollment applies to any retired member of the Arizona State Retirement System or any member who is receiving a long-term disability benefit from the ASRS, and who is not enrolled in health benefits through their former employer. Members or any eligible dependents who have not taken the opportunity to enroll previously in one of the group medical or dental plans also will be able to enroll during this period.

Members currently participating in the ASRS health insurance program do not need to take any action if they want current coverage to carry over to 2009. Current ASRS benefit elections will automatically carry forward to 2009, and, in such cases, participants will not receive new insurance cards.

Premiums and plan provisions currently in place will carry forward to 2009 and will not change.

All eligible participants will receive an Open Enrollment Packet, scheduled to be mailed in early October to the home address on file with the ASRS.

Informational presentations are scheduled throughout Arizona during October and into November to further explain each portion of the retiree health insurance program. The schedule of meetings is included in the Open Enrollment Packet.

Retirees who do not receive a packet by October 27 may contact the Member Services Division to request one. All packets are mailed to the address of record on file with the ASRS.

Member News

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Know Your Benefits

This meeting is especially beneficial to new members. You'll learn about the many benefits of belonging to the Arizona State Retirement System, including a history and overview of the ASRS, how your pension is calculated and how to maximize your future benefit, member responsibilities, disability and survivor benefits, options should you leave ASRS employment, and more. Also covered will be the Service Purchase benefit, through which a member may purchase, under certain circumstances, time they worked under other qualified employer plans.

Getting Ready for Retirement

This meeting is vital for members who are planning to retire within a year. You'll learn about your pension benefit and how it's calculated, options for retiree health insurance and other benefits, return to work options and more. Members who register for this meeting will receive a personal benefit estimate and assistance in filing out the proper paperwork.

Visit our website and click on the "Calendars" section to see a full listing of meetings taking place in Phoenix, Tucson and throughout the state at various locations. Reservations are required and can be made by calling our Member Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

ASRS Board & Committee Meetings

ASRS Board of Trustees

Friday, October 17, 2008, 8:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

External Affairs Committee

Friday, November 7, 2008, 10 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Operations Committee

Thursday, November 20, 2008, 10:30 a.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Investment Committee

Wednesday, December 3, 2008, 3:30 p.m. – ASRS Phoenix office, 3300 N. Central Ave., 14th floor.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.